

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 4703

IN THE MATTER OF:

Served November 27, 1995

Application of WE CARE PROJECT )  
INC., for a Certificate of )  
Authority -- Irregular Route )  
Operations )

Case No. AP-95-45

By application accepted for filing October 4, 1995, We Care Project Inc., a District of Columbia nonprofit corporation, seeks a certificate of authority to transport passengers in irregular route operations between points in the Metropolitan District, restricted to transportation in vehicles with a manufacturer's designed seating capacity of 15 or fewer persons, including the driver.

Notice of this application was served on October 6, 1995, in Order No. 4677, and applicant was directed to publish further notice in a newspaper and file an affidavit of publication. Applicant complied. The application is unopposed.

SUMMARY OF EVIDENCE

The application includes information regarding, among other things, applicant's corporate status, facilities, proposed tariff, finances, and regulatory compliance record.

Applicant proposes commencing operations with fourteen vans. Applicant's proposed tariff contains a cost-based-formula rate calculated on a per capita basis for transportation under the DC Medicaid program.

Applicant filed a balance sheet as of July 31, 1995, showing assets of \$12,359,454; liabilities of \$14,306,921; and negative equity of \$1,947,467. Applicant's projected operating statement for the year ending June 30, 1996, shows revenue of \$9,745,709; expenses of \$10,057,972; and a net loss of \$312,263.

Applicant certifies it has access to, is familiar with, and will comply with the Compact, the Commission's rules and regulations, and United States Department of Transportation regulations relating to transportation of passengers for hire. Applicant further certifies that neither applicant nor any person controlling, controlled by, or under common control with applicant has any control relationship with a carrier other than applicant.

DISCUSSION AND CONCLUSION

This case is governed by the Compact, Title II, Article XI, Section 7(a), which provides in relevant part that:

. . . the Commission shall issue a certificate to any qualified applicant . . . if it finds that --

(i) the applicant is fit, willing, and able to perform [the] transportation properly, conform to the provisions of this Act, and conform to the rules, regulations, and requirements of the Commission; and

(ii) that the transportation is consistent with the public interest.

Applicant must show the present ability to sustain operations during the first year under WMATC authority.<sup>1</sup> Applicant's financial statements indicate that applicant is in precarious financial condition. Applicant is projecting a net loss during the first year of WMATC operations, and applicant's current assets and net projected cash flow are insufficient to cover both projected expenses and current liabilities. However, we recognize applicant is undergoing Chapter 11 reorganization under the United States bankruptcy laws and that applicant's projected cash flow is sufficient to cover projected expenses. Inasmuch as the amount of debt that must be repaid in the next twelve months ultimately is the decision of the Court, we cannot say that applicant will be unable to sustain operations for one year.

Applicant has a substantial client base and sufficient assets on hand to commence operations, and the existence of applicant's "post-petition" debts reveals that applicant continues to operate as an ongoing business.<sup>2</sup> When Greyhound Lines, Inc. (GLI), entered Chapter 11, we modified its self-insurance authorization but made no finding that GLI was financially unfit.<sup>3</sup> Applicant will be required to file a certificate of insurance/policy endorsement obligating the insurance company to indemnify applicant "irrespective of the financial responsibility or lack thereof or insolvency or bankruptcy of the insured."

Based on the evidence in this record, the Commission finds applicant to be fit, willing, and able to perform the proposed transportation properly and to conform with applicable regulatory requirements. The Commission further finds that the proposed transportation is consistent with the public interest.

THEREFORE, IT IS ORDERED:

1. That We Care Project Inc., 6411 Chillum Place, N.W., Washington, DC 20012, is hereby conditionally granted, contingent upon timely compliance with the requirements of this order, authority

---

<sup>1</sup> In re WDC Sightseeing Tours, Inc., AP-92-33, Order No. 4036 (Jan. 12, 1993).

<sup>2</sup> See In re John Deskins Pic Pac, Inc., 59 B.R. 809 (Bankr. W.D. Va. 1986) (debtor-in-possession may incur post-petition debts incurred in ordinary course of business without Court approval).

<sup>3</sup> See In re Greyhound Lines, Inc., No. MP-90-12, Order No. 3529 (July 23, 1990) (self-insurance lowered from \$5M to \$1.5M, second trust fund established; new reporting requirements).

to transport passengers in irregular route operations between points in the Metropolitan District, restricted to transportation in vehicles with a manufacturer's designed seating capacity of 15 or fewer persons, including the driver.

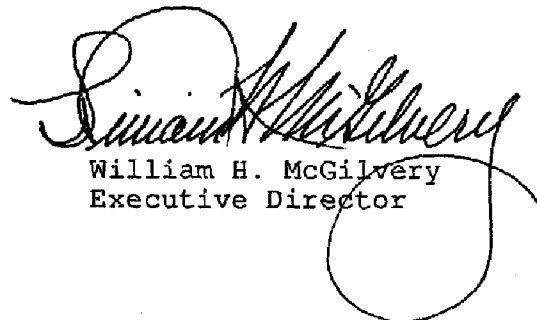
2. That applicant is hereby directed to file the following documents with the Commission: (a) evidence of insurance pursuant to Commission Regulation No. 58 and Order No. 4203; (b) an original and four copies of a tariff or tariffs in accordance with Commission Regulation No. 55; (c) an equipment list stating the year, make, model, serial number, vehicle number, license plate number (with jurisdiction) and seating capacity of each vehicle to be used in revenue operations; (d) evidence of ownership or a lease as required by Commission Regulation No. 62 for each vehicle to be used in revenue operations; (e) proof of current safety inspection of said vehicle(s) by or on behalf of the United States Department of Transportation, the State of Maryland, the District of Columbia, or the Commonwealth of Virginia; and (f) a notarized affidavit of identification of vehicles pursuant to Commission Regulation No. 61, for which purpose WMATC No. 324 is hereby assigned.

3. That upon timely compliance with the requirements of the preceding paragraph and acceptance of the documents required by the Commission, Certificate of Authority No. 324 shall be issued to applicant.

4. That applicant may not transport passengers for hire between points in the Metropolitan District pursuant to this order unless and until a certificate of authority has been issued in accordance with the preceding paragraph.

5. That unless applicant complies with the requirements of this order within 30 days from the date of its issuance, or such additional time as the Commission may direct or allow, the grant of authority herein shall be void and the application shall stand denied in its entirety effective upon the expiration of said compliance time.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS ALEXANDER, LIGON, AND SHANNON:



William H. McGilvery  
Executive Director

